

Need help with your debt?

Will I receive a refund if I cancel a contract?

Yes, the company must:

- ▶ Refund all fees the consumer paid if the consumer cancels before midnight of the third day after signing the agreement; and
- ▶ Return all of the consumer's funds that have not been disbursed to the creditors if the consumer gives 10-days' written notice.

What fees should I expect to pay?

Oregon law sets maximum fees that debt management companies may charge. The maximum upfront fee a company may charge is \$50, and the maximum monthly fee is \$65. If the company reduces the consumer's debt, the company may charge 7.5 percent of the total amount of debt reduced after the debt is paid. For more details on the fee limits, go to http://www.dfcs.oregon.gov/debt_mgmt.

However, many companies, both nonprofit and for-profit, charge less than the maximum. Be cautious of companies that charge high fees. Shop around before you hire a company. In addition, you can get free help with mortgage loan modifications by calling a HUD-certified foreclosure counselor at 1-800-SAFENET or going to foreclosurehelp.oregon.gov.

What if I suffer financial harm because of the actions of a registered debt management company?

If you believe you have been harmed by a registered debt management company, you can file a complaint with the Division of Finance and Corporate Securities. If a court or the division issues an order against the company, you can take action against the company's surety bond.

What if I use the services of an unregistered debt management company?

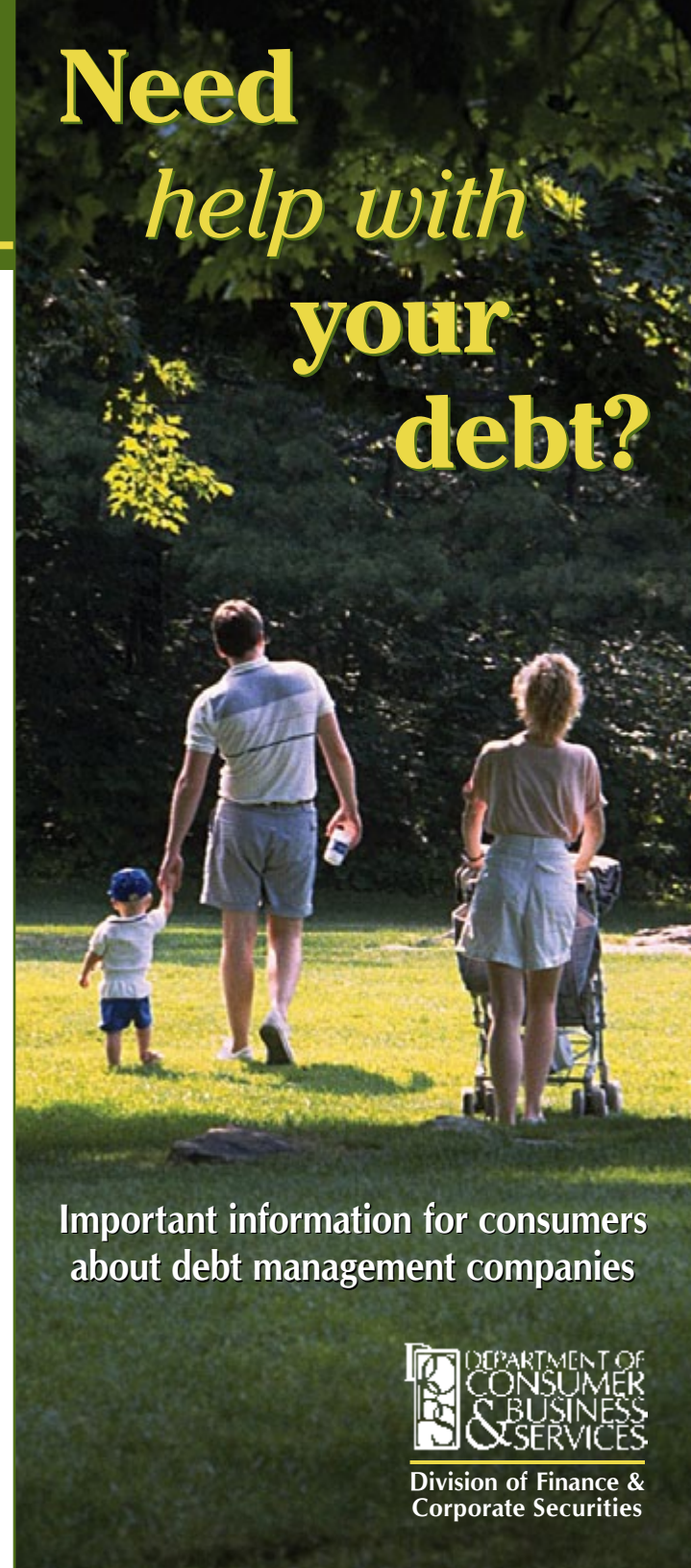
You should always verify that the company is registered before signing any contract for services or making any payments. Your options to resolve any disputes may be limited if the company is not registered in Oregon.

How do I file a complaint?

A complaint form is available online at www.dfcs.oregon.gov. A link to the complaint form is on the main page under "Information for Consumers." You can also call 1-866-814-9710.

Division of Finance and Corporate Securities mission:

To encourage a wide range of financial services, products, and information for Oregonians, delivered in a safe, sound, equitable, and fraud-free manner.



Important information for consumers about debt management companies



Division of Finance & Corporate Securities



If you're looking for help reducing or managing your debt – whether it's credit card debt, a mortgage, or a car loan – you may be considering a debt management company. These companies must be registered by the State of Oregon, and Oregon has many protections in place for consumers who use these services. Before you pay anyone to help you with your debt, here is what you should know.

What is a debt management company?

A debt management company helps consumers facing financial difficulties because of credit card debt or other obligations. Services may include:

- ▶ Counseling on budgeting and planning how to pay off debt
- ▶ Correcting credit reporting agency information ("credit repair")
- ▶ Modifying loans or short-sale negotiations
- ▶ Determining whether and how to file for bankruptcy
- ▶ Consolidating a consumer's debt
- ▶ Negotiating with a consumer's creditors to reduce monthly payments, interest rates, or late fees
- ▶ Providing "debt settlement" services, reducing the amount of debt a consumer owes

How do I know if a debt management company is registered to do business in Oregon?

You can search on the Oregon Department of Consumer and Business Services, Division of Finance and Corporate Securities' website: http://www.dfcs.oregon.gov/debt_mgmt.html and click on "registered agencies."

Does a company offering to help me with a loan modification or short sale for my home need to be registered?

Yes. A company charging a fee for help with loan modifications or short sales in Oregon needs to be registered as a debt management company or licensed as a mortgage loan originator. You can check if a company is a licensed mortgage loan originator at <http://www.nmlsconsumeraccess.org>.

You can also get free help from a HUD-authorized housing counselor — they are listed at foreclosurehelp.oregon.gov.

What about all the advertisements I see on TV and the Internet and hear on the radio?

Companies must be registered and display their registration number in any advertising before they can help Oregon consumers. While not all companies advertising their services are registered in Oregon, we strongly recommend you only hire those registered companies displaying an Oregon Debt Management five-digit number.

The company I'm working with told me to stop communicating with my creditors — should I ignore the creditors' calls and letters?

No. Ignoring your creditors can lead to serious damage to your credit or, in worse cases, bankruptcy. Debt management companies in Oregon should not advise you to stop communication with your creditors. In addition, they must perform a budget analysis that shows debt management services will be feasible and advantageous to you.

Can I cancel a contract with a debt management company?

Yes, you may cancel an agreement:

- ▶ At any time before midnight of the third business day after signing a contract with the company; or
- ▶ At any time during the remaining term of the agreement, for any reason, after giving the company 10-calendar days' written notice. *The cancellation is effective on the date the consumer mails a notice of cancellation or immediately, if the consumer sends the cancellation by e-mail or fax.*

Hiring a debt management company?

- 1** Check to see if the company is registered in Oregon.
- 2** Know what services you are receiving and how much they cost. Be cautious of high fees.
- 3** Understand your rights.